

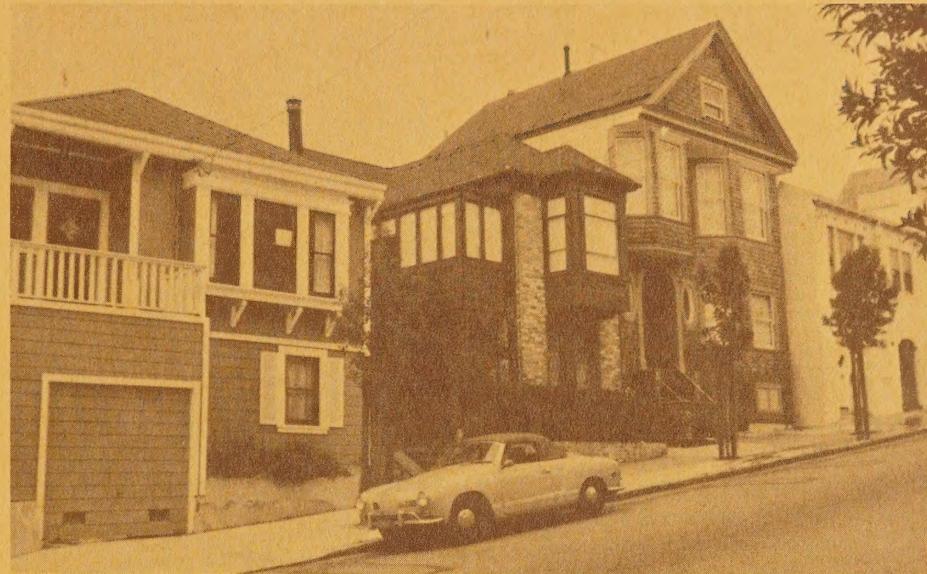
# FACE

## What it is and how it works

### How can San Francisco keep its neighborhoods attractive and livable?

San Francisco is often cited as having an unusually fine array of neighborhoods for a major city. Yet its housing is growing old, much of it was built over 50 years ago, and the widely praised restoration of Victorian homes is largely limited to fashionable districts with well-to-do owners. Meanwhile the rest of the city gradually ages and some neighborhoods reach states of decay where slum clearance may become necessary.

Preventing slums is cheaper both in dollars and in human values than demolishing slums. An effective preventive measure is FACE (Federally Assisted Code Enforcement). Under the FACE program, all buildings within a designated area are inspected and the owners are required to correct violations of the City's Housing Code. Low cost loans and, for low-income owners, outright grants (with no obligation to repay) from the Federal government enable property owners to finance the costs of rehabilitating their property. The city invests in the area's environment with beautification and street projects, such as tree planting, burial of utility wires, increased parking space, street repaving and similar improvements.



*Rehabilitated houses on Diamond Street, Glen Park.*

### How does code enforcement benefit the property owner?

Code compliance means restoring a property to a sound condition and eliminating hazards. If the owner desires, it can also involve rehabilitation with amenities that enhance its livability and appearance.

Better housing and environmental improvement restores people's confidence in a neighborhood. Good neighbors are likely to stay instead of moving, and neighborhood stability grows.

For most people their property represents their life savings. Protecting that investment through proper maintenance and modernization pays long range dividends.

### What kinds of hazards does FACE correct?

Collapse of structures often cannot be foreseen. Although some structures are obviously in danger, more often it's a case of rotting sub-structures, invisible termite damage or gradual settlement and listing walls, or cracked or slipping retaining walls.

Personal injury usually results from unnoticed hazards. Uneven, steep stairs, broken or missing treads, or lack of

handrails make stairs the most common cause of accidents. Broken sidewalks can cause falls . . . and law-suits.

Health hazards stem from debris and unsanitary conditions. Sewer odors can permeate a building. Rats find refuge in debris, feed on refuse and burrow under houses in search of dwelling places. Food preparation areas in unsanitary condition harbor diseases and bacteria. Garbage attracts and sustains disease spreading insects and rodents.

Fire hazards are often not obvious, but cannot be ignored. In a typical year almost 50 people die and more than twice as many are badly burned in San Francisco fires. Faulty gas appliances are the biggest cause of fire, responsible for around 1,000 fires per year. Gas leaks, faulty connections and piping can lead to explosion. In 1980 there were 10 deaths a year attributed to asphyxiation from improperly vented appliances. Faulty wiring causes 300 fires a year; overloaded circuits being the most common reason. Many houses have wiring for only one toaster when the equivalent of what a modern toaster alone uses. Fireplaces, flues, unsprinkled garbage chutes and storage areas are other danger zones. Improper construction or poor maintenance are also common fire causes.

# Federally Assisted Code Enforcement

## What sort of repairs does code compliance involve?

Experience in the City's first four FACE neighborhoods is that the most common need is for handrails on exterior stairs. This occurred on 62% of the buildings having violations. Inadequate electrical systems and/or outlets in the dwellings occurred in 47%, sidewalk repairs 42%, exterior paint, walls, trim 35%, windows (repair, operation) 33%, interior plumbing 31%, electrical service connection (outside) 28%, flues, chimney 25%, roof gutters and drains 24%.

## How much does code compliance cost?

The cost of bringing a building up to code can vary greatly, depending on the kind of building, its age, how well it has been maintained, the owner's inclination to make major improvements, and how expensive his tastes are. In the first four FACE projects the average cost of code compliance was \$1,470 per building, not including the buildings which had no code violations (15% of the total). The average cost is deceiving, however, because a few buildings had very extensive work. Almost half (48%) spent less than \$600, and three quarters spent less than \$1,500. In the second FACE program buildings are larger, older and more deteriorated than in the first, and compliance costs are accordingly higher.

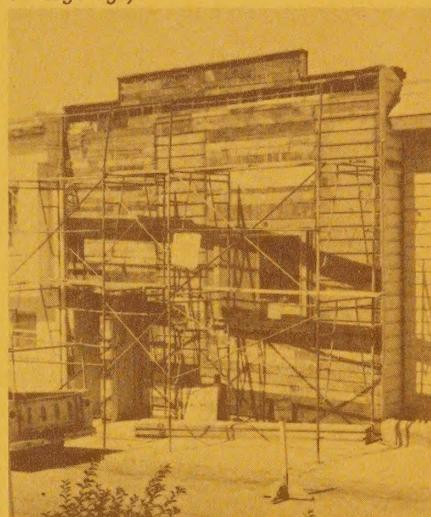
## Does FACE help the property owner finance code compliance and rehabilitation?

Yes. Low interest (3%) loans direct from the Federal government are available to property owners in FACE areas. Part of the loan can be used for general property improvements such as additions and remodelling. Owner occupants of one to four unit buildings may devote 40% of the loan to such improvements and investor owners 20%.

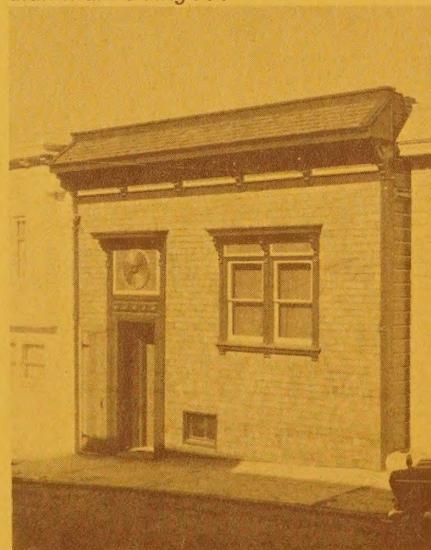
Rehabilitation grants up to \$3,500 are available for owner occupants with economic hardship. These never have to be paid back. Owner occupants of one to four unit buildings with family income below \$3,000 per year are eligible. Grants are also available to such a building owner with higher income if his



*Remodeling had made this Victorian cottage ugly.*



*The owner decided to remove the aluminum siding . . .*



*. . . and restore the house in the Victorian manner.*

monthly housing expenses exceed 25% of his gross income.

## What are the limits and/or eligibility requirements on the loans?

All owners within a FACE area are eligible, regardless of income level, provided they have the capacity to repay the loan. No loan can exceed \$17,400 per dwelling unit and the property's present indebtedness can also limit the size of the loan. For single dwellings, total indebtedness (including both mortgages and the rehabilitation loan) may not exceed \$33,000 or 90% of the sum of the property's appraised value plus the rehabilitation cost. For more than one unit buildings the 90% rule is generally the determining limit. Other formulas based upon apartment size and earning capacity of the property may influence the size of loan available. For details concerning a particular building a FACE loan officer should be consulted.

## Is refinancing possible with a 3% FACE loan?

In certain cases the rehabilitation loan can be used to refinance existing indebtedness. The number of persons qualifying is purposely limited to those with financial hardship such that property rehabilitation would otherwise be unfeasible. In the first FACE program only 12% of the loans included refinancing. Refinancing is available only to owner occupants of one to four dwelling buildings where the code compliance work payments when added to the existing mortgage payments would exceed 20% of the owner's monthly income. The same limits apply regarding loan size as outlined previously. At least 20% of the loan must be devoted to rehabilitation work.

## How does FACE work?

When an area is designated for the program a FACE office is opened in or near the area. During the first year and a half every property owner is contacted and all buildings are inspected, so that everyone has ample time to complete the work within the three year span of the program.

The owner receives a letter requesting an appointment to make an inspection. A City Building Inspector who has been assigned that block will work with the owner through all the steps needed to rehabilitate the building. He is assisted by electrical, plumbing or other specialist inspectors. Normally he will bring these inspectors along on the initial visit in order to minimize inconvenience to owners and tenants. Next he compiles a report listing any code violations which must be corrected.

At this point the owner has the option of applying for FACE financing or going ahead on his own. Those who "go it alone" tend to have the inexpensive compliance jobs. In the first FACE program privately financed compliance averaged \$687 per building, whereas FACE financed jobs averaged \$3,900. Each FACE office has a rehabilitation finance specialist who administers the loan and grant program. In most cases he can work out a financing program suited to the owner's needs and desires. Sometimes he will even arrange Non-FACE financial aids such as bank loans or having welfare payments increased to cover the loan payments.

Once the owner knows what must be corrected and roughly how much money he will have to work with he is ready to decide how extensive his property's re-

habilitation should be. He may wish to keep it to the minimum, or he may decide to utilize the low cost financing to the fullest extent possible. His building inspector will prepare a package of specifications and simple plans to let out to bid. For complicated or extensive jobs the owner is encouraged to hire an architect, whose services can be paid for out of the loan.

The inspector acts as the owner's representative throughout the work. He advertises for the bids and submits them to the owner for acceptance. He inspects the work in progress and administers the payments to the contractor. At the end of the process the owner receives a document from the City certifying that the property is in satisfactory compliance with city codes.

#### Are the advisory services available to owners who don't use FACE financing?

Yes. All permits for work in a FACE area are handled at the local FACE office and the same inspectors are involved, with or without financing. Owners "going-it-alone" are encouraged to seek their inspector's advice on the details so they won't make expensive mistakes that require correction.

#### What happens in hardship cases where an owner simply cannot do the compliance work?

Where there are legitimate hardships, such as handicap, illness, extreme old age, etc. which make it practically impossible to comply, the case may go to the abatement appeals board. The board can determine alternates to code requirements, or grant time extensions for compliance where health or safety is not basically involved. In some instances required enforcement work can be delayed or stayed for the life of the owner or some reasonable period of time.

#### How do the inspectors treat property owners?

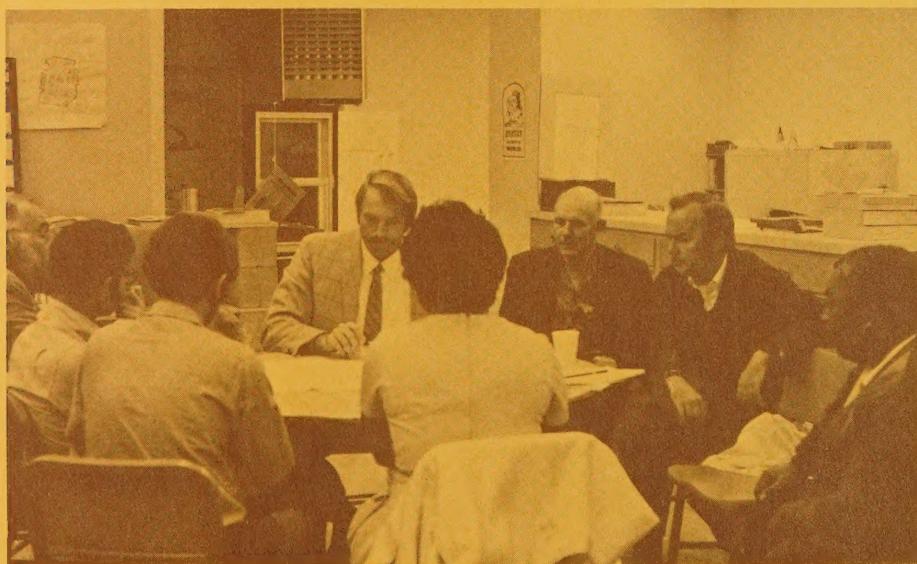
There is little reason to fear the inspectors. Many, many owners have remarked about their politeness, friendliness and helpfulness. While it is their job to enforce the codes, they need your enthusiasm and cooperation in order to complete their work within the program's three year span. Hence, they do everything they can within reason to assist you.

One example is in scheduling appointments. If the owner cannot meet during normal working hours, evening or weekend appointments can be made.

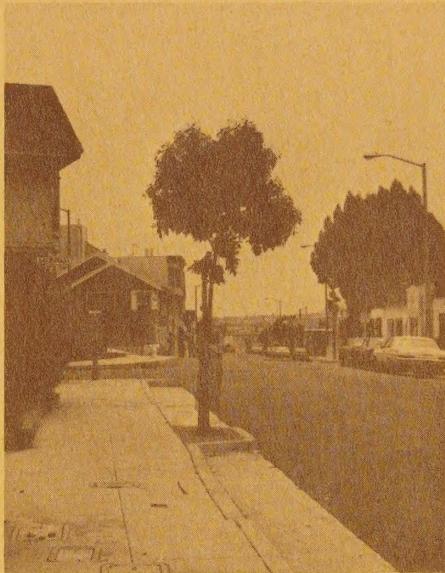
#### How does FACE effect tenants?

Tenants may benefit by having their housing improved with little, if any rental increase. In the first FACE program, where 75% of the dwellings were renter occupied, the average code compliance cost was \$750.00 per dwelling unit. With a 3%, 20-year FACE loan this represents a monthly cost slightly over \$4.00. Outside of FACE, bank financing at high interest rates and short terms would be necessary, and the monthly payments would be four (or more) times as much.

If an owner spends \$5,000 to extensively rehabilitate an older apartment, it would cost \$27.75 per month. In some situations an owner might take unfair advantage of the program and institute an unwarranted rent increase. Indications are that such profiteering was uncommon in the first FACE program, having occurred mostly in isolated rundown buildings in a fashionable area.



Citizen Advisory Committees meet regularly to help resolve problems.



*This street was greatly improved by burying wires and planting trees.*

### What if someone has to move?

Sometimes it is not possible to do the rehabilitation work without dislocating the tenant. Although dislocation is small (only 22 cases in the first four FACE areas out of 4,047 rental units, or 1/2 of 1%) it is necessary to provide assistance for people in this predicament. Relocation benefits available through the program include finding new housing, payment of moving costs, and additional relocation payments for low income tenants. These benefits are available to tenants who have to move due to rent increases as well as those who have to move as a result of the repair-work.

### How does the City improve the environment in FACE areas?

As property owners make their buildings more attractive and livable, the City improves the street area. Under the federal rules for code enforcement programs, the City pays a third of the project cost, and the project can include street improvement and beautification projects. Street tree planting, road widening or narrowing, street lights, signals, signs, and sidewalks are permitted projects.

## City and County of San Francisco Department of Public Works

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into high gear, other problems arise which they try to solve. These include relocation, tenant-landlord or property owner-FACE inspector disputes and other program related problems. They may also get involved in some of the detailed design of the public improvement projects, or promote neighborhood self-help programs.

### How are FACE areas selected?

The Director of City Planning has the responsibility of recommending areas for FACE to the Chief Administrative Officer. Sometimes he initiates the idea, but more often some community group, such as an improvement association, requests the program. The Federal Department of Housing and Urban Development (HUD) and the City's Department of Public Works are consulted as to the appropriateness of the area for FACE. The Planning Director holds at least one meeting in the area, inviting all residents and owners to come and hear about the program and then to tell him whether or not they want it. His recommendation depends largely on neighborhood enthusiasm for the program.

If the Chief Administrative Officer agrees with the selection, he instructs the Department of Public Works to prepare an application for a federal grant. The application is forwarded to the Board of Supervisors who hold a public hearing before authorizing submitting it to the Federal Government.

### Who administers FACE?

The Director of Public Works is responsible for carrying out the FACE program through the Superintendent of the Bureau of Building Inspection. Any problems that you may have concerning FACE in your building or neighborhood should be brought to the attention of the Chief, Division of Property Conservation, who directs the FACE operation. However, your neighborhood FACE office staff will be happy to answer any questions you may have regarding FACE.

### FACE Central Office:

Phone: (415) 558-2577, Room 115,  
525 Golden Gate Avenue,  
San Francisco 94102

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